

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

IN RE:

IXIA MERCADO CONCEPCION

DEBTOR

NILSA LYONS; LEON LYONS-
REJINCOS

PLAINTIFF(S)

v.

IXIA MERCADO CONCEPCION; LA
ARMERIA METROPOLITANA, INC.;
BLAY-MERCADO SIBBLINGS TRUST;
MARCEL ENRIQUE BLAY
MERCADO; BIANCA IXIA BLAY
MERCADO; CHAPTER 7 TRUSTEE
NOEMI LANDRAU

DEFENDANTS

CASE NO. 13-09126 BKT

CHAPTER 7

ADVERSARY NO. 14-00002 (BKT)

ANSWER TO COMPLAINT

TO THE HONORABLE COURT:

COMES NOW, Chapter 7 Trustee, Noemi Landrau, Esq., through the undersigned attorneys, who respectfully state and pray as follows:

1. On January 2, 2014, creditors Nilsa Lyon Rios and Leon Lyon Rejincos filed the instant adversary proceeding against Debtor-defendant Mercado to object to the dischargeability of debts under 11 U.S.C. §§ 523(a)(2)(a), (a)(4), (a)(6). See ECF 1. Said claim was amended on June 3, 2014 to include various defendants in addition to Debtor; namely, La Armería

Metropolitana, Inc., the Blay-Mercado Sibblings Trust, and the beneficiaries of the Trust, Bianca Ixia Blay-Mercado and Marcel Enrique Blay-Mercado. See ECF 24. The amended complaint also named the appearing trustee as a necessary party to the action. In sum, creditor's claim is based on a firm and final Judgment entered into by the Puerto Rico Court of First Instance against Debtor-defendant for which the latter is seeking relief before this Honorable Court.

2. On June 25, 2014, Trustee filed a complaint against all parties included in the amended claim hereunder as adversary proceeding no. 14-00161. Trustee's complaint for declaratory judgment essentially sets forth the same objections filed by Creditors in this action except according to Trustee's powers per 11 USC § 704(a).

3. Moreover, upon investigation of Debtor's financial affairs, Trustee concluded that La Armería Metropolitana, Inc. and all of its assets are part of the Mercado's bankruptcy estate subject to Trustee's liquidation for payment to the entity's creditors. In an effort to expedite the liquidation of assets of the estate, Trustee took possession of the armory and, on June 23, 2014, filed a petition for Chapter 7 liquidation under case no. 14-05113.

4. Further, pursuant to FRBP 1015(b) and LBR 1015-1(b), Trustee has requested consolidation for the Joint Administration of the bankruptcy proceedings 13-01926 BKT and 14-05113 BKT in order to expedite the administration of these cases. See ECF 80 in case no. 13-01926 BKT and ECF 13 in case no. 14-05113 BKT.

5. These acts performed by trustee have been made in the best interest of the bankruptcy estate and for the protection of its value. The acts, claims and requests made by Trustee in adversary case no. 14-00161 (Declaratory Judgment as to Blay-Mercado Sibblings Trust) and case no. 14-05113 (Chapter 7 Petition for La Armería Metropolitana) constitute the best answer to creditor's amended complaint and are, therefore, incorporated herein by reference. Accordingly, Trustee has no opposition to Creditor's request for non-dischargeability of Mercado's debts.

WHEREFORE, it is respectfully requested from this Honorable Court to take notice of the above, accept this as Trustee's answer to the claim, and order that future notifications of any motions, orders or other legal documents be sent to the undersigned attorneys through the CM/ECF System.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this 7th day of July, 2014.

I HEREBY CERTIFY THAT on this same date this motion has been filed with the Clerk of the Court using the CM/ECF System which will send notification of such filing to all attorneys of record.

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